

OST-99-6410



U.S. Department of  
Transportation

Office of the Secretary  
of Transportation

GENERAL COUNSEL

400 Seventh St., S.W.  
Washington, D.C. 20590

FEBRUARY 18, 2000

73329

OST-99-6410-50

Ms. Patricia H. Kaps  
Malkia Travel LLC  
9768 Big Bend Blvd.  
St. Louis, MO 63122

Dear Ms. Kaps:

The White House has asked me to respond to your letter of October 7, 1999, concerning the airlines' commission cuts. The American Society of Travel Agents (ASTA) has recently filed a complaint with this Department against a number of airlines (Docket OST-99-6410). ASTA alleges that in cutting the commissions that they pay travel agents, the airlines are engaging in unfair practices and unfair methods of competition in violation of 49 U.S.C. §41712.

The airlines filed their responses to ASTA's complaint on December 10. It is now up to the Enforcement Office to review the complaint and responses and determine whether, under our statute, the complaint should be pursued or dismissed. Under these circumstances, it would be inappropriate for me to comment on the substance of your letter. You can track the pleadings as well as the Department's actions through our Dockets web site at <http://dms.dot.gov>. Clicking on "search" and then typing "6410" in the space for the docket number and again clicking on "search" will bring up a list of all documents in the docket. Each item can be opened.

The Department's *ex parte* rules, 14 CFR Part 300, require that I place your letter and a copy of this reply in Docket OST-99-6410. Please be assured that ASTA's complaint will receive careful and thorough consideration.

Sincerely,

Samuel Podberesky  
Assistant General Counsel for  
Aviation Enforcement and Proceedings

RECEIVED  
FEB 23 11:53  
U.S. DEPARTMENT OF TRANSPORTATION

THE WHITE HOUSE  
WASHINGTON

<b>ACTION</b> is assigned to:
<u>                    </u>
000202-068
CONTROL NO.

10-29-99  
DATE

MEMORANDUM

FOR:

                      
HELEN S. CASTLEMAN # SC  
DIRECTOR, OFFICE OF AGENCY LIAISON

SUBJECT: REFERRAL OF CASEWORK IN BULK

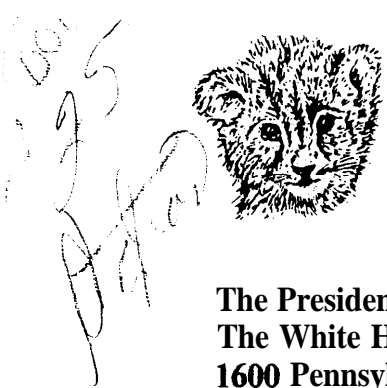
An unprecedented number of individuals still write the President and the First Lady for help. I know that this has meant a far greater volume of mail for your agency than ever before. I appreciate your continuing cooperation in our efforts to be as responsive as possible.

The attached letters have not received a White House Staff response. I am forwarding this correspondence to your agency for any appropriate action.

Please return the original incoming letter, along with a copy of any written or telephone response, to me at the address below. I also would appreciate your sending a copy of your agency's log of the names and addresses of these individuals. Any misreferrals should be returned to my office. If you have questions you can reach me at 202/456-7486.

Mrs. Helen S. Castleman  
Director, Office of Agency Liaison  
Room 6, OEOB  
The White House  
Washington, D.C. 20502

Again, thank you for your continuing help.



## MALKIA TRAVEL LLC

The President of the United States of America  
The White House  
1600 Pennsylvania Avenue  
Washington DC 20501  
October 7, 1999

Mr. President,

Thank you for your time in reading this letter.

Today the travel agents across America received yet another blow . We do a tremendous job of getting people to many places all over the world , and, we do it with courtesy and respect toward these clients. Our Commissions were cut from 10 per cent to 8 percents a couple of years ago and now United airlines has made the decision to put out of business many of who work extremely hard just to make a living. WHY is this being allowed to happen? We work, pay taxes and try to do our best for those we deal with only to have this happen.

You, those in Congress, and the Senate have waged a battle for our clients who have been mistreated by these same airlines and have passed bills to alleviate these problems, Why does someone not help those agencies who also work for these same people.

Why should we be penalized for ~~doing the airlines work for them~~ t h e m disrespect us by not allowing us to make a decent living? We at the time of 10 percent had to make over 500,000 dollar to clear approx. 46,000 ,then at 8 percent it was much more now at 5 percent we will have to make over 1,000,000.00 base fare to clear approx. 50,000.00. How many other companies do this?

I respectfully request an answer to this letter.

Sincerely,

A handwritten signature in cursive script that reads "Patricia H. Kaps".

Patricia. H. Kaps  
Travel Agent

cc: Jim Murray - State Representative, Richard Gephardt- Us Congress,  
Christopher Bond- Senate and John Ashcroft- Senate  
enc: 1



World Headquarters

**UNITED AIRLINES ANNOUNCES  
NEW U.S. AND CANADA POINT-OF-SALE  
BASE COMMISSION STRUCTURE  
FOR DOMESTIC AND INTERNATIONAL TRAVEL**

A new U.S. point-of-sale base commission program is **effective** for **all** tickets issued on or **after** October 8, 1999, **which** are ticketed **in** the **United States** (including, but not limited **to** **Puerto Rico; Washington, D.C.; the U.S. Virgin Islands**) and **Canada**, for travel **to/from** and **within** the **U.S.; Puerto Rico; Washington, D.C.; and the U.S. Virgin Islands**. The new base commission policy also applies to tickets that are ticketed domestically for travel **to/from** **Canada**. The new domestic policy pays a base rate of **five percent (5%)**, with the current **USD50 maximum** for **round trip (RT) travel** and **USD25 maximum** for **one-way (OW) travel**. The program covers all published **F, C, Y and Promotional** economy fares.

For travel agencies based in **Canada**, the new **Canada point-of-sale base commission** program is **effective** on all tickets issued on or **after** October 8, 1999 **which** are ticketed **in** **Canada**, for travel **to/from** **Canada** and **within** the **U.S.; Puerto Rico; Washington, D.C.; and the U.S. Virgin Islands**. The new policy pays a base rate of **five percent (5%)**, with a **CAD70 maximum** for **RT travel** and a **CAD35 maximum** for **OW travel**. The program covers all published **F, C, Y and Promotional** economy fares.

A new **U.S. and Canada point-of-sale base commission** program for **international** travel: is **effective** on **all** tickets issued on or **after** October 8, 1999, **which** are ticketed **in** the **United States; Puerto Rico; Washington, D.C.; the U.S. Virgin Islands and Canada**, for itineraries including any point outside those **points**. The new **international** base rate **pays five percent (5%)**, with a **USD100/CAD140 maximum** for **RT travel** and a **USD50/CAD70 maximum** for **OW travel**. The program covers all published **F, C, Y and Promotional** economy fares.

**All ARC/IATA** appointed **full-service, on-site, restricted access, and Satellite Ticket Printer (STP)** locations are included under the new program. **International** travel, as defined above, **which** is ticketed in the **U.S. (including, but not limited to Puerto Rico; Washington, D.C.; the U.S. Virgin Islands)** and **Canada** is **affected** under the new **program** even if travel originates outside the **U.S.; Puerto Rico; Washington, D.C.; the U.S. Virgin Islands and Canada**

**Please consult your CRS for complete details and definitions of this new program.**

**Apollo: S\*UAB/COMMISSION**  
**Sabre: Y/SY1/QUA/COMMISSION**  
**Worldspan: G/AIR/UA@/COMMISSION**  
**Amadeus: GGAIRUACOMMISSION**